



**Center for Medicare
Medicare Plan Payment Group**

DATE: June 9, 2015

TO: All Part D Plan Sponsors, including PACE Organizations

FROM: Cheri Rice, Director
Medicare Plan Payment Group

SUBJECT: Provider Enrollment, Chain, and Ownership System (PECOS) and Updates to the Prescription Drug Event (PDE) File Layout and Edits

On June 1, 2015, the Centers for Medicare & Medicaid Services (CMS) announced that it will delay enforcement of the requirements in 42 CFR § 423.120(c)(6) until June 1, 2016. Beginning June 1, 2016, the prescription drug event (PDE) file layout and edits will be updated to incorporate the use of the Provider Enrollment, Chain, and Ownership System (PECOS) in our prescriber identifier editing.

Background

On May 23, 2014, CMS released the final rule, *Contract Year 2015 Policy and Technical Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Programs*. See 79 F.R. 29843 (May 23, 2014). In that rule, CMS finalized a provision that requires physicians and eligible professionals to be enrolled in or opted-out of the Medicare program in order to prescribe a covered Part D drug on or after June 1, 2015. Per this rule, Part D sponsors and their pharmaceutical benefit managers (PBMs) would be required to verify that a physician or eligible professional is either enrolled in the Medicare program in an active status or is validly opted out of the Medicare program. The enrollment or opt-out status of physicians or eligible professionals is maintained in PECOS. An enrollment file that identifies physicians and eligible professionals who are enrolled in Medicare in an approved or opt-out status, in addition to ones who are disenrolled after an identified date, is available for download by visiting <https://data.cms.gov> and searching for 'Medicare Individual Provider List.'

On May 6, 2015, CMS published an interim final rule with comment period (IFC). *Changes to the Requirements for Part D Prescribers*. See 80 F.R.25958 (May 6, 2015). Under the IFC, pharmacy claims and beneficiary requests for reimbursement for Medicare Part D prescriptions, written by prescribers other than physicians and eligible professionals but who are permitted by state or other applicable law to prescribe medications, will not be rejected at the point of sale or denied by the plan if all other requirements are met. For the purposes of this memo and PDE editing, these "other authorized prescribers" will be identified as having non-PECOS National Plan and Provider Enumeration System (NPPES) National Provider Identifiers (NPIs).

Also under the IFC, a Part D sponsor will not reject a claim or deny a beneficiary request for

reimbursement for a drug on the grounds that the prescriber (who is not an “other authorized prescriber”) is not enrolled in or opted out of Medicare without first providing 3 months provisional coverage of the drug (as prescribed by the prescriber and if allowed by applicable law) and individualized written notice to the beneficiary.

PDE File Layout and Edit Changes

Beginning June 1, 2016, the PDE file layout will include two new fields – “Type of Fill” and “non-PECOS NPI Indicator.” See Attachment A for an Excerpt of the File Layout Beginning June 1, 2016.

The “Type of Fill” field will be populated by the Part D sponsor (or their pharmacy benefit manager (PBM)) to indicate whether the PDE describes:

- a provisional fill (‘P’),
- a regular fill (‘R’), or
- a readjudication that occurs where the prescriber has retroactive enrollment to point before the date of service of the claim, and the original claim was not billed as a provisional or “other authorized prescriber” fill (‘E’).

The value ‘E’ will be used, for example, when the original claim rejected because the prescriber’s NPI was not in PECOS on the date of service (and the prescriber was not an “other authorized prescriber”), the beneficiary’s provisional supply was exhausted, and the beneficiary chose to pay cash and requested reimbursement from the sponsor. Under those circumstances, if the prescriber shows in PECOS as retroactively enrolled prior to the date of service of the original claim for which the beneficiary paid cash, the sponsor submits the PDE with a “Type of Fill” of ‘E’.

This “Type of Fill” field is mandatory as of June 1, 2016 and will result in the PDE rejecting with new edit code 659 if it is not populated with a valid value. Prior to June 1, 2016, the “Type of Fill” field must be BLANK, otherwise edit 659 will fire, and the PDE will reject.

Also beginning June 1, 2016, field 53, which was previously the “Gap Discount Plan Override Code,” will be repurposed into the “non-PECOS NPI Indicator.” This field will be populated with a ‘Y’ to indicate a non-PECOS NPI and is to be used only if a prescriber meets the definition of “other authorized prescriber,” as defined in 42 C.F.R. § 423.100. We believe that this field will generally be used for pharmacists who have the authority to prescribe some drugs under some State laws. Please note that dentists fall under the applicable statutory definition of “physician” and should not be identified as “other authorized prescribers.”

Current edits 833 and 834 will be modified for PDEs with dates of service on and after June 1, 2016. Both edits will be bypassed if the “Type of Fill” is ‘R’ or ‘E’ or the “non-PECOS NPI Indicator” is blank or ‘N’. Edit 833 will fire and the PDE will reject if the submitted NPI on the PDE is not found on the CMS NPPES table. Edit 834 will fire and the PDE will reject if the submitted NPI of the PDE is not active on the CMS NPPES table. The date of service of the PDE must be within File Start and End dates and NPI Start and End dates. This means that on the date of service of the claim, the NPI must be active and valid on the NPPES file available at the time of date of service, otherwise edit 834 will fire.

Edits 840 and 841 will be new edits for PDEs with dates of service on and after June 1, 2016. Both edits will be bypassed if either the “Type of Fill” is ‘P’ or the “non-PECOS NPI Indicator” is ‘Y’. Edit 840 will fire and the PDE will reject if the NPI on the submitted PDE is not found on the CMS PECOS table. Edit 841 will fire and the PDE will reject if the submitted NPI on the PDE is not active on the CMS PECOS table. If “Type of Fill” is ‘R’, the date of service must be within File Start and End dates and NPI Start and End dates, otherwise 841 will fire. If “Type of Fill” is ‘E’, the date of service must be within the most recently reported NPI Start and End dates, otherwise 841 will fire. As suggested above, if the “Type of Fill” is ‘E’, the NPI must be active and valid on the PECOS file prior to the date of service of the claim, but may be seen on a PECOS file that was available after the date of service of the claim.

Note that if the “non-PECOS NPI Indicator” is populated with a value of ‘Y’, then the “Type of Fill” must be ‘R’ for a regular fill.

See Attachment B for an Excerpt of the Transaction & Validation Edits impacted by the changes on and after June 1, 2016.

The new layout, as well as the new edits associated with PECOS, will be available on the CSSC website at <http://www.csscooperations.com> by June 1, 2016.

Please direct questions regarding this memorandum to pdejan2011@cms.hhs.gov.

Attachment A – Excerpt of File Layout Beginning June 1, 2016

FIELD NO.	FIELD NAME	NCPDP FIELD	POSITION	PICTURE	LENGTH	NCPDP, CMS OR PDFS DEFINED	DEFINITION / VALUES
53	Non-PECOS NPI Indicator		377-377	X(1)	1	CMS	Indicates if the NPI in the Prescriber ID is not a PECOS NPI. This field determines how the Prescriber ID field will be edited against the NPPES and PECOS source data. This field is not required to be populated. Acceptable values are: Y - Non-PECOS NPI N or BLANK - PECOS NPI
59	Type of Fill		397 - 397	X(1)	1	CMS	This field determines how the NPI in the Prescriber ID field will be edited against the NPPES and PECOS source data beginning June 1, 2016. Acceptable values are: P = Provisional Fill R = Regular Fill E = Retroactive Enrollment Reimbursement Prior to PDEs with DOS 6/1/2016, this field must be BLANK
60	FILLER		398 - 512	X(115)	115	CMS	SPACES

Attachment B – Excerpt of Transaction & Validation Edits, June 1, 2016

Error #	Edit Category	Data Element to be Edited	Message to be Reported	Comments/Rationale	Edit Applicable (Y/N)				Failure Outcome (Reject, Informational, or Update)
					Applies to Delete PDEs	Standard	Non Standard*	PACE	
641	M/I	Filler Fields, positions 128-129, 181-182, and 398-512.	Filler fields must be blank.	Change from filler field positions 128-129, 181-182, and 384-512 to positions 128-129, 181-182, and 398-512. Effective for all PDEs submitted 11/7/2014 and forward.	Y	Y	Y	Y	Reject
659	M/I	Type of Fill	Type of Fill is missing or invalid. Valid values are 'R' for a regular fill, 'P' for a provisional fill, or 'E' for a retro-enrollment reimbursement.	Applies to PDEs with DOS 6/1/2016 and forward. Prior to 6/1/2016, a value other than BLANK in the Type of Fill field will reject with this edit.	N	Y	Y	Y	Reject
833	M/I	Prescriber ID Qualifier; Prescriber ID	The submitted Prescriber ID is not found on the CMS NPPES NPI table.	Applies to PDEs with DOS 1/1/2012 and forward. Effective 5/6/2013, must be Type '1' (individual) NPI. For DOS >= 6/1/2016, Type of Fill must be 'P' or Non-PECOS NPI Indicator must be 'Y'.	N	Y	Y	Y	Reject
834	M/I	Prescriber ID Qualifier; Prescriber ID	The submitted Prescriber ID is not active on the CMS NPPES NPI table for the given DOS.	Applies to PDEs with DOS 1/1/2012 and forward. For DOS >= 6/1/2016, Type of Fill must be P or Non-PECOS NPI Indicator must be 'Y'. The DOS must be within File Start and End dates and NPI Start and End	N	Y	Y	Y	Reject

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					Applies to Delete PDEs	Standard	Non Standard*	PACE	
				dates.					
840	M/I	Prescriber ID Qualifier; Prescriber ID	The submitted Prescriber ID is not found on the CMS PECOS NPI table.	Applies only to DOS on and after 6/2/2016. Must be Type '1' (individual) NPI. Type of Fill must be 'R' or 'E' AND Non-PECOS NPI Indicator must be 'N' or blank.	N	Y	Y	Y	Reject
841	M/I	Prescriber ID Qualifier; Prescriber ID	The submitted Prescriber ID is not active on the CMS PECOS NPI table for the given DOS.	Applies only to DOS on and after 6/2/2016. Must be Type '1' (individual) NPI. Type of Fill must be 'R' or 'E' AND Non-PECOS NPI Indicator must be 'N' or blank. If Type of Fill is 'R' - DOS must be within File Start and End dates and NPI Start and End dates. If Type of Fill is 'E' - DOS must be within the most recently reported NPI Start and End dates.	N	Y	Y	Y	Reject